

STATE OF IOWA
PROPERTY ASSESSMENT APPEAL BOARD

Dennis & Sheila Jensen,
Petitioners-Appellants,

v.

Sioux City Board of Review,
Respondent-Appellee.

ORDER

Docket No. 11-107-1361
Parcel No. 8848-01-246-017

On June 1, 2012, the above-captioned appeal came on for consideration before the Iowa Property Assessment Appeal Board. The appeal was conducted under Iowa Code section 441.37A(2)(a-b) and Iowa Administrative Code rules 701-71.21(1) et al. Petitioners-Appellants Dennis and Sheila Jensen requested their appeal be considered without a hearing. They were self-represented. Attorney Jack A. Faith is counsel for the Board of Review. The Appeal Board now having examined the entire record, and being fully advised, finds:

Findings of Fact

Dennis and Sheila Jensen, owners of property located at 2021 S Alice Street, Sioux City, Iowa, appeal from the Sioux City Board of Review decision reassessing their property. According to the property record card, the subject property consists of a one-story, frame dwelling having 702 total square feet of living area built in 1958. The dwelling has no basement.¹ It has a 4+00 quality grade, 30% physical depreciation, and is in normal condition. The property is also improved by a 384 square-foot bunker-style, detached garage built in 1980 with 31% physical depreciation, and a 100 square-foot shed built in 1958. The shed has minimal value. The improvements are situated on 0.138 acres.

¹ Documents in the record indicate the dwelling has a concrete slab foundation, but also indicate there is a dirt crawlspace.

The real estate was classified as residential on the initial assessment of January 1, 2011, and valued at \$68,400, representing \$20,300 in land value and \$48,100 in dwelling value. The real estate assessment notice indicates there was a citywide revaluation of residential property in 2011.

The Jensens protested to the Board of Review on the grounds that the property assessment is not equitable compared to like properties in the taxing jurisdiction under Iowa Code section 441.37(1)(a) and that the property is assessed for more than authorized by law under section 441.37(1)(b). They claimed \$45,000 was the actual value and a fair assessment of the property. The Board of Review denied the protest.

The Jensens then appealed to this Board with the same claims and seeking the same relief.

Jensens purchased the property in September 2009, for \$25,000. They report the property has access issues. They note the only entry requires using two flights of stairs to reach the house. Furthermore, it has no rear entry or rear access by alley or street. Jensens noted the dwelling does not have a basement and the furnace is located in a three-foot, dirt crawl space, which is difficult to maintain. They submitted a \$28,460 bid showing the cost to add a basement to the property. They determined this expense was not cost effective for this rental property.

Jensens provided a list of five properties in the area they believe are representative of their property's value.

Address	Sale Date	Sale Price	Yr Blt	TSFLA	SPPSF	2011 AV	AVPSF
2119 S Olive	02/11/11	\$40,000	1929	916	\$43.67	\$39,800	\$43.45
2524 S Alice	03/16/11	\$38,000	1930	627	\$60.60	\$63,900	\$101.91
3328 4th	10/14/10	\$44,000	1917	600	\$73.33	\$44,600	\$74.33
3314 4th	10/08/10	\$37,000	1948	712	\$51.97	\$53,400	\$75.00
2533 S Patterson	06/15/10	\$34,500	1930	672	\$51.34	\$57,300	\$85.27
Subject			1958	702		\$68,400	\$97.44

We note 2119 S Olive is significantly older than the subject property, has no garage, and is in below normal condition. The properties located at 2524 S Alice and 3328 4th Avenue are significantly

older than the subject property and considerably smaller. The Board of Review reports that the sale of 3314 4th Avenue occurred shortly after a liquidation estate sale, which may indicate it was not an arms'-length transaction. Finally, the property at 2533 S Patterson is also considerably older than the subject. The properties that are older than the subject may have additional physical depreciation and/or deterioration. These discrepancies between the sale properties and the subject compromise the validity of the Jensens' comparison. Therefore, we give this data no weight.

The Board of Review identified seven² sales comparables in the Morningside West neighborhood, which occurred between 2008 and 2010, in support of the assessment. Most of the properties have similar living area. They are all one-story dwellings, and most were built around 1950 on similarly sized sites. They have average quality grades and are in normal to above-normal condition. Unlike the subject property, the sale properties have basements, some of which are partially finished. Six of the seven have detached garages like the subject property. The median sale price per square foot was \$101.56 and the average sale price per square foot was \$100.15. The subject property is assessed at \$97.44 per square foot, which is within the range of sales prices per square foot and below the median and average sale prices per square foot. The following summarizes the information provided by the Board of Review.

Address	TSFLA	Sale Date	Sales Price	\$SPSF
2015 S Alice St	735	06/11/09	\$68,000	\$92.52
1719 S Helen St	768	09/04/09	\$73,000	\$95.05
1623 S Helen St	720	09/10/08	\$79,950	\$111.04
1720 S Rustin St	768	10/22/08	\$78,000	\$101.56
2503 Williams Ave	768	07/20/10	\$59,000	\$76.82
2514 Shields Ave	770	03/03/10	\$82,000	\$106.49
3316 7th Ave	672	08/11/09	\$79,000	\$117.56

² The Board of Review also listed 3116 4th Avenue and 2514 Shields Ave in the certified record, but eliminated those sale properties in their exhibit to this Board.

There are differences between the subject property and the sales comparables that may warrant adjustment and give this data limited weight. But despite this concern, we note the sales do support the subject property assessment.

We find the preponderance of the evidence does not support the Jensens' claims of inequitable assessment or over-assessment as of January 1, 2011. However, we recommend the Board of Review arrange for an inspection of the property to determine whether an obsolescence factor is warranted in the next reassessment to account for the negative influences of dwelling access and furnace location.

Conclusion of Law

The Appeal Board applied the following law.

The Appeal Board has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A (2011). This Board is an agency and the provisions of the Administrative Procedure Act apply to it. Iowa Code § 17A.2(1). This appeal is a contested case. § 441.37A(1)(b). The Appeal Board determines anew all questions arising before the Board of Review related to the liability of the property to assessment or the assessed amount. § 441.37A(3)(a). The Appeal Board considers only those grounds presented to or considered by the Board of Review. § 441.37A(1)(b). But new or additional evidence may be introduced. *Id.* The Appeal Board considers the record as a whole and all of the evidence regardless of who introduced it. § 441.37A(3)(a); *see also Hy-vee, Inc. v. Employment Appeal Bd.*, 710 N.W.2d 1, 3 (Iowa 2005). There is no presumption that the assessed value is correct. § 441.37A(3)(a).

In Iowa, property is to be valued at its actual value. Iowa Code § 441.21(1)(a). Actual value is the property's fair and reasonable market value. *Id.* "Market value" essentially is defined as the value established in an arm's-length sale of the property. § 441.21(1)(b). Sale prices of the property or comparable properties in normal transactions are to be considered in arriving at market value. *Id.* If

sales are not available, “other factors” may be considered in arriving at market value. § 441.21(2).

The assessed value of the property “shall be one hundred percent of its actual value.” § 441.21(1)(a).

To prove inequity, a taxpayer may show an assessor did not apply an assessing method uniformly to similarly situated or comparable properties. *Eagle Food Centers v. Bd. of Review of the City of Davenport*, 497 N.W.2d 860, 865 (Iowa 1993). Alternatively, a taxpayer may show the property is assessed higher proportionately than other like property using criteria set forth in *Maxwell v. Shriver*, 257 Iowa 575, 133 N.W.2d 709 (1965). The gist of this test is the ratio difference between assessment and market value, even though Iowa law now requires assessments to be 100% of market value. § 441.21(1). The Jensens did not prove by a preponderance of the evidence that their property is inequitably assessed under either test.

In an appeal that alleges the property is assessed for more than the value authorized by law under Iowa Code section 441.37(1)(b), there must be evidence that the assessment is excessive and the correct value of the property. *Boekeloo v. Bd. of Review of the City of Clinton*, 529 N.W.2d 275, 277 (Iowa 1995). While they did identify deficiencies in the subject property, the Jensens did not submit sufficient evidence to support their claim that the property is assessed for more than authorized by law as of January 1, 2011.

Viewing the record as a whole, we determine that the preponderance of the evidence does not support Jensens’ claims. Therefore, we affirm the property assessment as determined by the Board of Review. The Appeal Board determines the assessed value of Jensens’ property located at 2021 S Alice Street, Sioux City, is \$68,400, representing the \$20,300 land value and \$48,100 in improvement value, as of January 1, 2011.

THE APPEAL BOARD ORDERS that the January 1, 2011, assessment as determined by the
Sioux City Board of Review is affirmed.

Dated this 4 day of August 2012.

Jacqueline Rypma
Jacqueline Rypma, Presiding Officer

Richard Stradley
Richard Stradley, Board Chair

Karen Oberman
Karen Oberman, Board Member

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Certificate of Service	
The undersigned certifies that the foregoing instrument was served upon all parties to the above cause & to each of the attorney(s) of record herein at their respective addresses disclosed on the pleadings on <u>8-4</u> , 201 <u>2</u>	
By:	<input checked="" type="checkbox"/> U.S. Mail <input type="checkbox"/> FAX
	<input type="checkbox"/> Hand Delivered <input type="checkbox"/> Overnight Courier
	<input type="checkbox"/> Certified Mail <input type="checkbox"/> Other
Signature	<u>[Signature]</u>